

FIRST REGULAR SESSION

HOUSE BILL NO. 834

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARRY.

Read 1st time February 20, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1960L.011

AN ACT

To repeal sections 191.600, 191.603, 191.605, 191.607, 191.609, 191.611, 191.614 and 191.615, RSMo 2000, relating to the Missouri health professional student loan repayment program, and to enact in lieu thereof eight new sections relating to the same subject.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 191.600, 191.603, 191.605, 191.607, 191.609, 191.611, 191.614 and
2 191.615, RSMo 2000, are repealed and eight new sections enacted in lieu thereof, to be known
3 as sections 191.600, 191.603, 191.605, 191.607, 191.609, 191.611, 191.614 and 191.615, to read
4 as follows:

191.600. 1. Sections 191.600 to 191.615 establish a loan repayment program for
2 graduates of approved medical schools, schools of osteopathic medicine, **schools of dentistry**
3 and accredited chiropractic colleges who practice in areas of defined need and shall be known
4 as the "[Medical School] **Health Professional Student Loan Repayment Program**".

5 2. The "[Medical School] **Health Professional Student Loan and Loan Repayment**
6 **Program Fund**" is hereby created in the state treasury. All funds recovered from an individual
7 pursuant to section 191.614 and all funds generated by loan repayments and penalties received
8 pursuant to section 191.540 shall be credited to the fund. The moneys in the fund shall be used
9 by the department of health to provide loan repayments pursuant to section 191.611 in
10 accordance with sections 191.600 to 191.614 and to provide loans pursuant to sections 191.500
11 to 191.550.

191.603. As used in sections 191.600 to 191.615, the following terms shall mean:

2 (1) "Areas of defined need", areas designated by the department pursuant to section

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

3 191.605, when services of a physician **or dentist** are needed to improve the
4 patient-doctor/**dentist** ratio in the area, to contribute **health care** professional [physician]
5 services to an area of economic impact, or to contribute **health care** professional [physician]
6 services to an area suffering from the effects of a natural disaster;

7 (2) "Department", the department of health;

8 (3) **"General dentist", dentists licensed and registered pursuant to chapter 332,**
9 **RSMo, engaged in general dentistry and who are providing such services to the general**
10 **population;**

11 (4) "Primary care physician", physicians licensed and registered pursuant to chapter 334,
12 RSMo, engaged in general or family practice, internal medicine, pediatrics or obstetrics and
13 gynecology as their primary specialties, and who are providing such primary care services to the
14 general population.

191.605. The department shall designate counties, communities, or sections of urban
2 areas as areas of defined need when such county, community or section of an urban area has[,
3 but is not limited to, the following:

4 (1) A population to primary care physician ratio of three thousand five hundred to one
5 or more; or

6 (2) A population to primary care physician ratio of less than three thousand five hundred
7 to one, but greater than two thousand five hundred to one; and

8 (a) Has a twenty percent or greater population fifty-five years of age or over; or

9 (b) Twenty percent of the population or households are below the poverty level; or

10 (c) If the largest hospital in the area is approximately thirty miles or more from a
11 comparable or larger facility or if the central community in the area is approximately fifteen
12 miles or more from a hospital having more than four thousand discharges a year or more than
13 four hundred deliveries annually; and

14 (d) Has a community or city of six thousand or more population plus the surrounding
15 area up to a radius of approximately fifteen miles that serves as the central community or an
16 urban or metropolitan neighborhood located within the central city or cities of a standard
17 metropolitan statistical area having limited interaction with contiguous areas and a minimum
18 population of approximately twenty thousand;

19 (3) Any other community or section of an urban area with unusual circumstances can be
20 evaluated on a case-by-case basis for designation by the department as an area of defined need]
21 **been designated as a primary care health professional shortage area or a dental health care**
22 **professional shortage area by the federal Department of Health and Human Services, or**
23 **has been determined by the director of the department of health to have an extraordinary**
24 **need for health care professional services, without a corresponding supply of such**

25 **professionals.**

191.607. The department shall adopt and promulgate regulations establishing standards
2 for determining eligible persons for loan repayment [under] **pursuant to** sections 191.600 to
3 191.615. These standards shall include, but are not limited to the following:

4 (1) Citizenship or permanent residency in the United States;

5 (2) Residence in the state of Missouri;

6 (3) Enrollment as a full-time medical student in the final year of a course of study offered
7 by an approved educational institution or licensed to practice medicine or osteopathy pursuant
8 to chapter 334, RSMo;

9 (4) **Enrollment as a full-time dental student in the final year of course study offered**
10 **by an approved educational institution or licensed to practice general dentistry pursuant**
11 **to chapter 332, RSMo;**

12 (5) Application for loan repayment.

191.609. 1. The department shall enter into a contract with each individual qualifying
2 for repayment of educational loans. The written contract between the department and an
3 individual shall contain, but not be limited to, the following:

4 (1) An agreement that the state agrees to pay on behalf of the individual loans in
5 accordance with section 191.611 and the individual agrees to serve for a time period equal to two
6 years, or such longer period as the individual may agree to, in an area of defined need, such
7 service period to begin within one year of the signed contract;

8 (2) A provision that any financial obligations arising out of a contract entered into and
9 any obligation of the individual which is conditioned thereon is contingent upon funds being
10 appropriated for loan repayments;

11 (3) The area of defined need where the person will practice;

12 (4) A statement of the damages to which the state is entitled for the individual's breach
13 of the contract;

14 (5) Such other statements of the rights and liabilities of the department and of the
15 individual not inconsistent with sections 191.600 to 191.615.

16 2. The department may stipulate specific practice sites contingent upon department
17 generated [physician] **health care professional** need priorities where applicants shall agree to
18 practice for the duration of their participation in the program.

191.611. 1. A loan payment provided for an individual under a written contract under
2 the [medical school] **health professional student** loan payment program shall consist of
3 payment on behalf of the individual of the principal, interest, and related expenses on
4 government and commercial loans received by the individual for tuition, fees, books, laboratory,
5 and living expenses incurred by the individual.

6 2. For each year of obligated services that an individual contracts to serve in an area of
7 defined need, the director may pay [up to twenty thousand dollars] **an amount not to exceed the**
8 **maximum amounts allowed under the National Health Service Corps Loan Repayment**
9 **Program, 42 U.S.C. Section 2541-1, P.L. 106-213**, on behalf of the individual for loans
10 described in subsection 1 of this section.

11 3. The department may enter into an agreement with the holder of the loans for which
12 repayments are made [under] **pursuant to** the [medical school] **health professional student**
13 loan payment program to establish a schedule for the making of such payments if the
14 establishment of such a schedule would result in reducing the costs to the state.

15 4. Any qualifying communities providing a portion of a loan repayment shall be
16 considered first for placement.

191.614. 1. An individual who has entered into a written contract with the department;
2 and in the case of an individual who is enrolled in the final year of a course of study and fails to
3 maintain an acceptable level of academic standing in the educational institution in which such
4 individual is enrolled or voluntarily terminates such enrollment or is dismissed from such
5 educational institution before completion of such course of study or fails to become licensed
6 pursuant to chapter **332 or 334**, RSMo, within one year shall be liable to the state for the amount
7 which has been paid on his **or her** behalf under the contract.

8 2. If an individual breaches the written contract of the individual by failing either to
9 begin such individual's service obligation or to complete such service obligation, the state shall
10 be entitled to recover from the individual an amount equal to the sum of:

11 (1) The total of the amounts prepaid by the state on behalf of the individual;

12 (2) The interest on the amounts which would be payable if at the time the amounts were
13 paid they were loans bearing interest at the maximum prevailing rate as determined by the
14 Treasurer of the United States;

15 (3) An amount equal to [the unserved obligation penalty, the amount equal to the product
16 number of months of obligated service which were not completed by an individual, multiplied
17 by five hundred dollars] **any damages incurred by the department as a result of the breach;**

18 **(4) Any legal fees or associated costs incurred by the department or the state of**
19 **Missouri in the collection of damages.**

20 3. The department may act on behalf of a qualified community to recover from an
21 individual described in subsections 1 and 2 of this section the portion of a loan repayment paid
22 by such community for such individual.

191.615. 1. The department shall submit a grant application to the Secretary of the
2 United States Department of Health and Human Services as prescribed by the secretary to obtain
3 federal funds to finance the [medical school] **health professional student** loan repayment

4 program.

5 2. Sections 191.600 to 191.615 shall not be construed to require the department to enter
6 into contracts with individuals who qualify for the [medical school] **health professional student**
7 loan repayment program when federal and state funds are not available for such purpose.